



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Congressional Budget Office scores on Medicare Bills
Da: Tuesday, July 22, 2003

Sen. Chuck Grassley, chairman of the Committee on Finance, made the following comment on the Congressional Budget Office's planned release of detailed scores of the Senate- and House-passed Medicare prescription drug bills. CBO's analysis will show that the House bill costs \$408 billion over 10 years, and the Senate bill costs \$422 billion over 10 years. The cost of the House bill is actually \$174 billion higher taking into account its provisions for Health Savings Accounts and Health Savings Security Accounts, which would bring the total cost of the House bill to about \$582 billion. The total cost of the Senate bill is actually \$40 billion higher when CBO takes into account the effect of an amendment by Sen. Maria Cantwell, which brings the total score for the bill to \$462 billion. Senators accepted the Cantwell amendment on the floor based in part on the understanding that it was budget neutral.

"As the work in conference committee proceeds, I'll work very closely with CBO to make sure the conference agreement I support is within the \$400 billion budget target. Today's CBO analysis won't affect the conferees' ability to produce a final bill that's within the \$400 billion the budget gives us. I'm confident we won't have to make major changes in the prescription drug benefit. I remain committed to the rural Medicare priorities in the bill and to private competition, which lowers costs and gets us the most bang for the buck.

"The CBO estimate on beneficiary participation in private plans is virtually unchanged. However, CMS' estimate is significantly higher. Regardless, I'll continue to work with everyone involved, including my colleagues on both sides of the aisle, to make further improvements in how Medicare Advantage would be a good choice for beneficiaries."